



# SBA Information Notice

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**TO:** All Employees

**CONTROL NO.:** 5000-1090

**SUBJECT:** 2nd Quarter "Peg" Rate and  
Maximum 504 Third Party Interest  
Rate

**EFFECTIVE:** 12/22/2008

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The interest rate on Section 7(a) Direct Business Loans is 5 1/2 percent (5.500%) for the fiscal quarter beginning January 1, 2009. (Information only – no direct funds available at this time.)

The optional peg rate for fluctuating interest rates on guaranty loans is 4 1/2 percent (4.500%) for the January - March quarter of FY 2009.

Pursuant to 13 CFR 120.921(b), the maximum legal interest rate for any third party lender's commercial loan which funds any portion of the cost of a 504 project (see 13 CFR 120.801) shall be 6% over the New York Prime rate or, if that exceeds the maximum interest rate permitted by the constitution or laws of a given State, the maximum interest rate will be the rate permitted by the constitution or laws of the given State.

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Grady B. Hedgespeth  
Director  
Office of Financial Assistance

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**EXPIRES:** 12/1/2009

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete  
Must be accompanied by SBA Form 58